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# Iraq

## Status Report

February 24, 2010



Bureau of Near Eastern Affairs  
U.S. Department of State

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## HIGHLIGHTS

- OIF to be Renamed Operation New Dawn (*SECURITY*, page 4)
- Sistani Urges All Iraqis to Participate in the Upcoming General Election (*POLITICAL*, page 5)
- Iraq's Crude Oil Output Will Avoid OPEC Scrutiny (*ECONOMIC*, page 11)
- Iraq and Iran Attempt to Reach a Formal Demarcation Agreement (*DIPLOMATIC*, page 17)

## SECURITY – Situation Update



GOI continues efforts to combat attacks in advance of national elections amidst declining U.S. Forces

### U.S. Military Says Delayed-Withdrawal Plans for Iraq Are Unlikely:

- The U.S. military announced that, while it had prepared contingency plans that might delay the planned withdrawal of all combat forces in Iraq, it was unlikely at this point that such plans would be necessary. Any potential delay would be in response to the prospect of “political instability and increased violence” in advance of the upcoming national elections on March 7. General Ray Odierno, the top U.S. commander in Iraq, said on February 22 that he was “optimistic” the plans would not be necessary. Similarly, Defense Secretary Robert Gates said that “we would have to see a pretty considerable deterioration of the situation in Iraq, and we don't see that, certainly, at this point.” All combat forces are currently set to withdraw from Iraq by the end of August.

### OIF to be Renamed Operation New Dawn:

- In a memo, Secretary of Defense Robert Gates announced on February 17 that with the withdrawal of U.S. Forces from Iraq ‘Operation Iraqi Freedom’ would be renamed ‘Operation New Dawn.’ Gates said that the name change was meant to “recognize our evolving relationship with the Government of Iraq.” The name shift is expected to occur in September when U.S. Forces in Iraq will reduce to 50,000.

## POLITICAL - Governance & Legislation

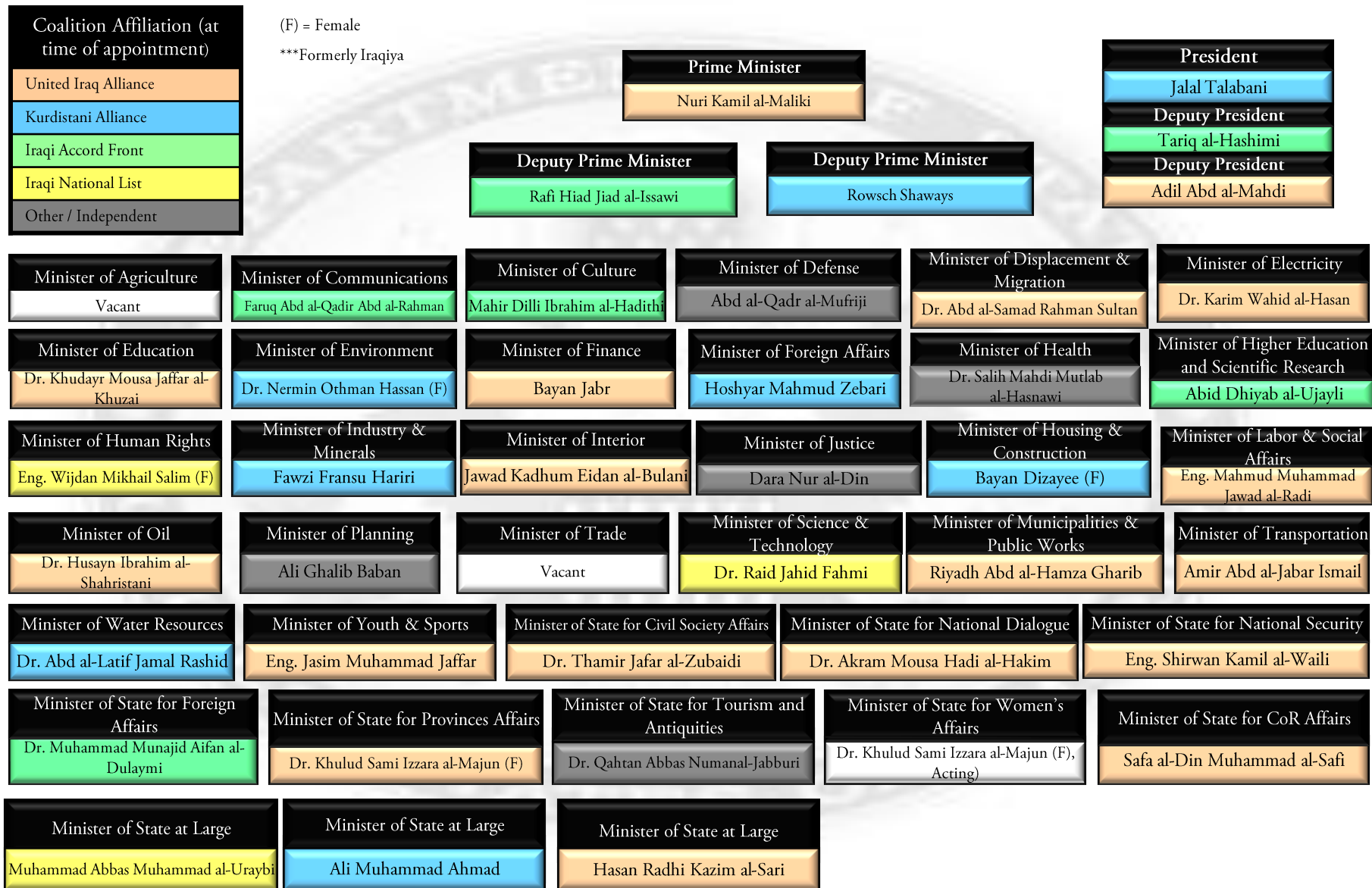


Iraqi leaders encourage Iraqis to vote, as the GOI prepares for the upcoming national election

### Sistani Urges Iraqis to Participate in Election:

- The prominent Shi'a cleric, Grand Ayatollah Ali Hussein al-Sistani, released a statement calling on Iraqis to vote in next month's general election. His message was apolitical and encouraged voters to cast their ballots for individuals, parties and coalitions, based on issues that are good for Iraq.

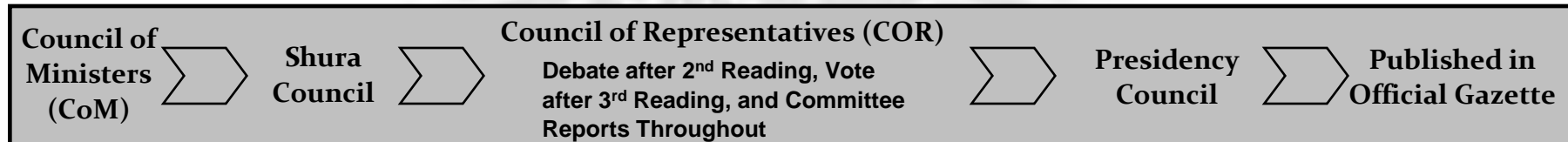
# POLITICAL – Government of Iraq





## POLITICAL – Key Legislative Issues

### Legislative Process



- **Hydrocarbons Package:** The Framework Law was resubmitted to the Oil and Gas Committee on October 26, 2008 and then returned to the Council of Ministers. There has been no progress on the other three laws in the package.
- **NGO Law:** This law will regulate the operations and funding of Non-Governmental Organizations operating within Iraq. It received its first reading in the Council of Representatives on April 20, 2009.
- **National Elections Law:** The amended election law was approved by the Presidency Council on December 6.

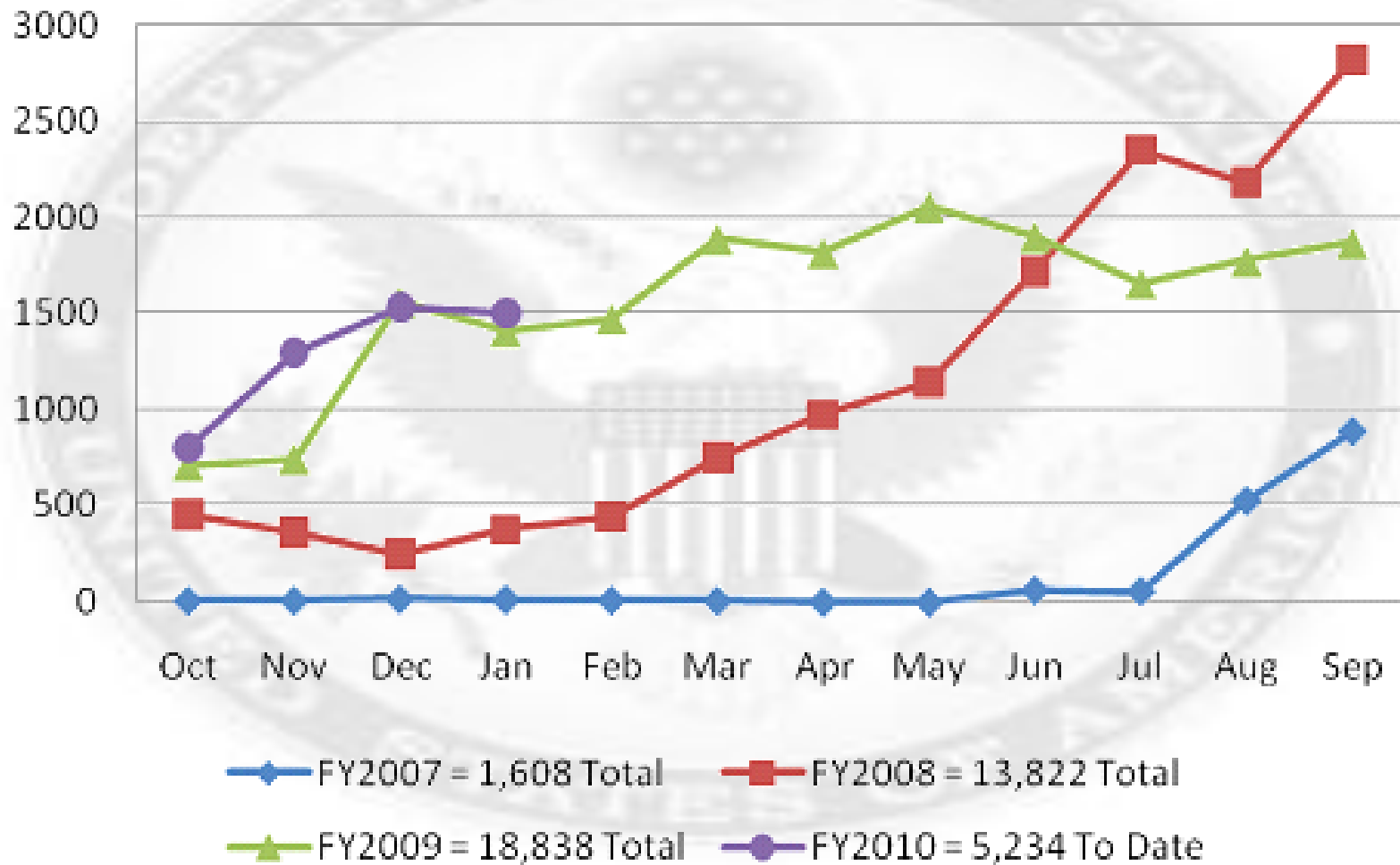
## POLITICAL - Refugee Update



- There are approximately 295,000 Iraqi refugees currently registered with UNHCR in neighboring countries. There are likely significant numbers of unregistered refugees as well. UNHCR reports that 1.5 million Iraqis displaced by sectarian violence following the Samarra Mosque bombing of February 2006 remain internally displaced in Iraq.
- In FY09, the State Department's Bureau of Population, Refugees and Migration contributed \$ 303.4 million to international organizations and nongovernmental organizations to assist displaced Iraqis inside the country and in the region.
- Since the program's inception in FY07, 40,331 Iraqi refugees have been admitted for U.S. resettlement, an increase of 69 from last week. The U.S. admitted 18,838 Iraqi refugees in FY09.
- As of September 2009, a total of 1,606 Special Immigrant Visa (SIVs) have been issued for Iraqi translators and interpreters (and their dependents) since FY07 (under the Section 1059 program).
- As of September 2009, a total of 3,028 SIVs have been issued for Iraqis employed by or on behalf of the U.S. government (and their dependents) since FY08 (under the Section 1244 program).
- Secretary of State Hillary Clinton announced July 24 that the United States was contributing more than \$100 million in new assistance to support the return and reintegration of displaced Iraqis.

**POLITICAL - Refugee Update**

## Iraqi Admissions to the U.S.



# ECONOMIC – Oil



## Crude Oil Update:

*Price averages in world markets closed with the following prices:*

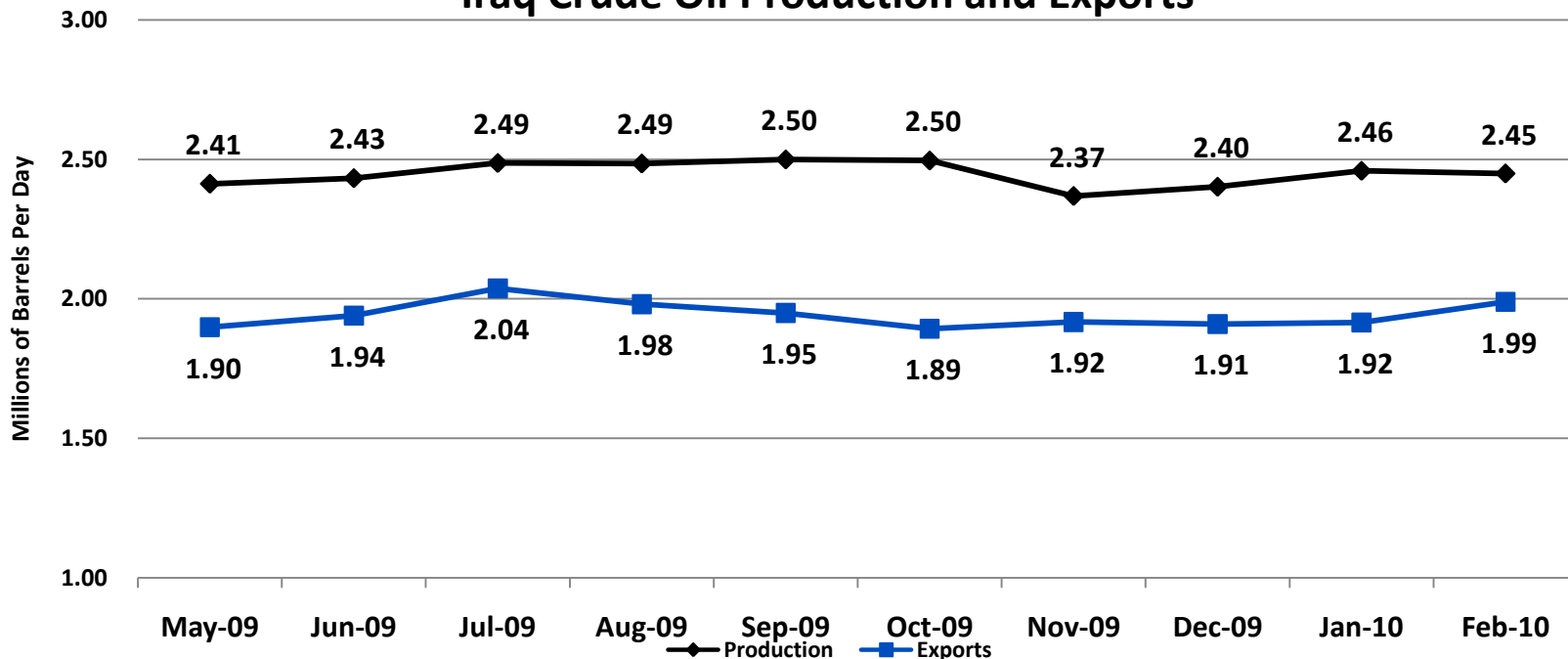
Basrah Light at \$75.45/barrel

Dated Brent at \$75.45/barrel

WTI Cushing at \$75.39/barrel

Oman/Dubai at \$75.39/barrel

## Iraq Crude Oil Production and Exports



## Revenue estimates:

2008: \$61.9 Billion

2009: \$ 39.2 Billion

2010 (ytd): \$5 Billion

## ECONOMIC – Oil



Iraq's OPEC quota may not be addressed in the short term

### Iraq's Crude Oil Output Will Avoid OPEC Scrutiny:

- Defending Iraq's projected oil output capabilities in the coming years, Iraqi Minister of Oil Husayn al-Shahristani addressed concerns that OPEC would make production changes at the upcoming meeting in March. "I don't expect production levels of OPEC members will be reviewed in the next meeting... Instead, OPEC will ask some countries to adhere to their output targets," he said. Al-Shahristani also noted that Iraq's oil prices are at satisfactory levels; the benchmark crude for March delivery traded at \$80.32 a barrel in electronic trading on the New York Mercantile Exchange. The GOI increased the budget this year accounting for projected oil output revenues.

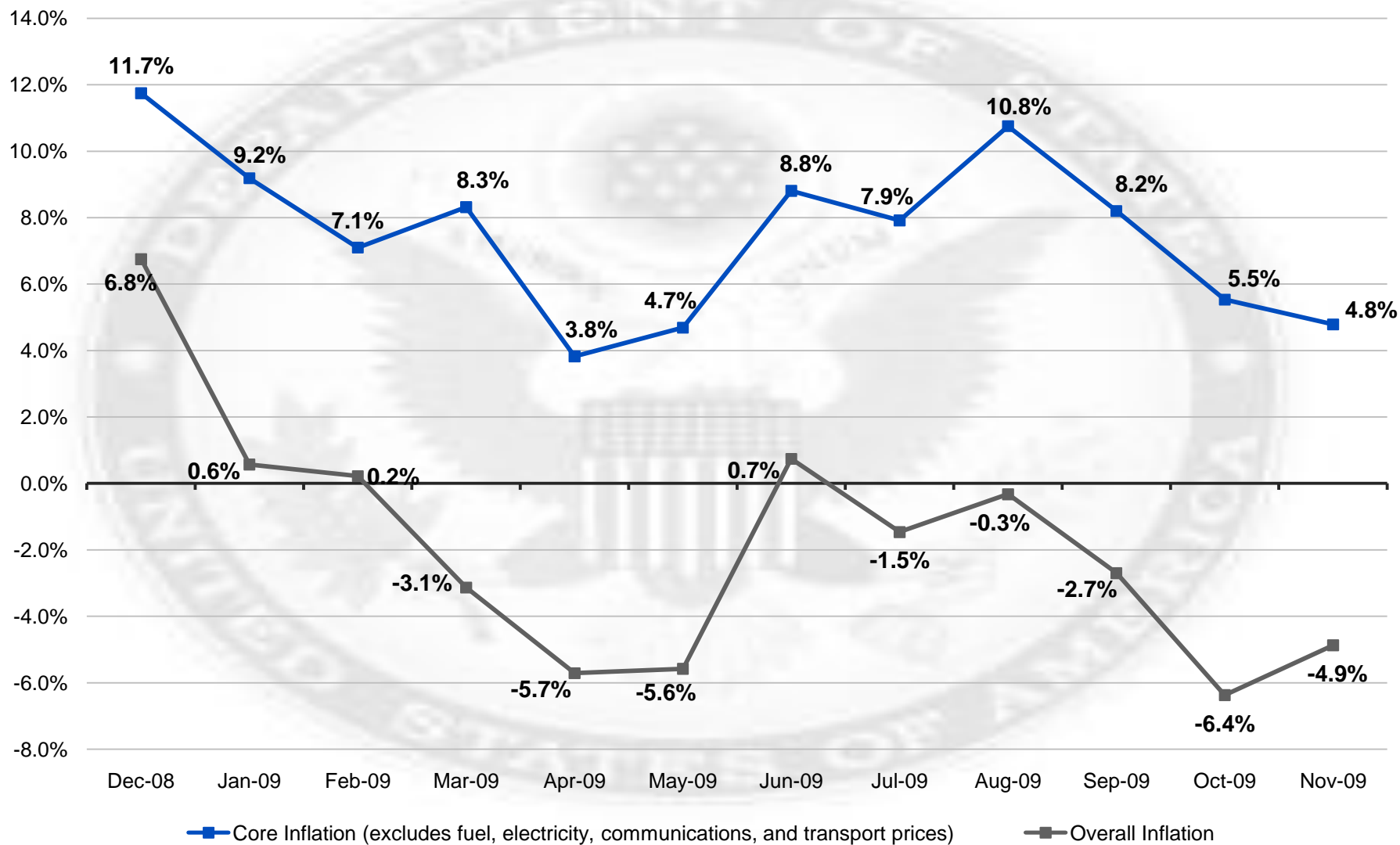
### Ten Oil Service Companies Invited to Bid on Drilling in Rumaila:

- Iraq's South Oil Company, British Petroleum, and the China National Petroleum Corporation invited ten oil firms to drill 56 new wells in the Rumaila oil field, which boasts an estimated 17 billion barrels of crude reserves.

# ECONOMIC - Fiscal and Monetary Affairs



## Year-on-Year Inflation



## ECONOMIC – Fiscal and Monetary Affairs



Economic Indicator	This Week	Last Week	Last Month	Last Year
<b>Iraqi Commercial Bond Sales</b>				
Price (USD)	\$77.89	\$64.91	\$76.56	\$64.50
Yield	8.17%	8%	8.36%	10.32%

## ECONOMIC – Non-Energy



### Greek airline responds to UK demand for increased flight connections to Iraq

#### **Greek Airline Offers Weekly Flights to Baghdad, Sulaymaniyah, and Erbil:**

- **Viking Hellas Airlines has begun flights between Athens and three cities in Iraq. The Greek airline, founded in 2009, offers flights to Baghdad on Mondays, Sulaymaniyah on Wednesdays and Erbil on Fridays. A spokesperson from the company said that the routes to Iraq would “cover increased demand, mainly from passengers from the United Kingdom, offering functional and fast connections through Athens to Iraq.”**

## ECONOMIC – Public Services



### General Electric projects continue to increase electricity capacity

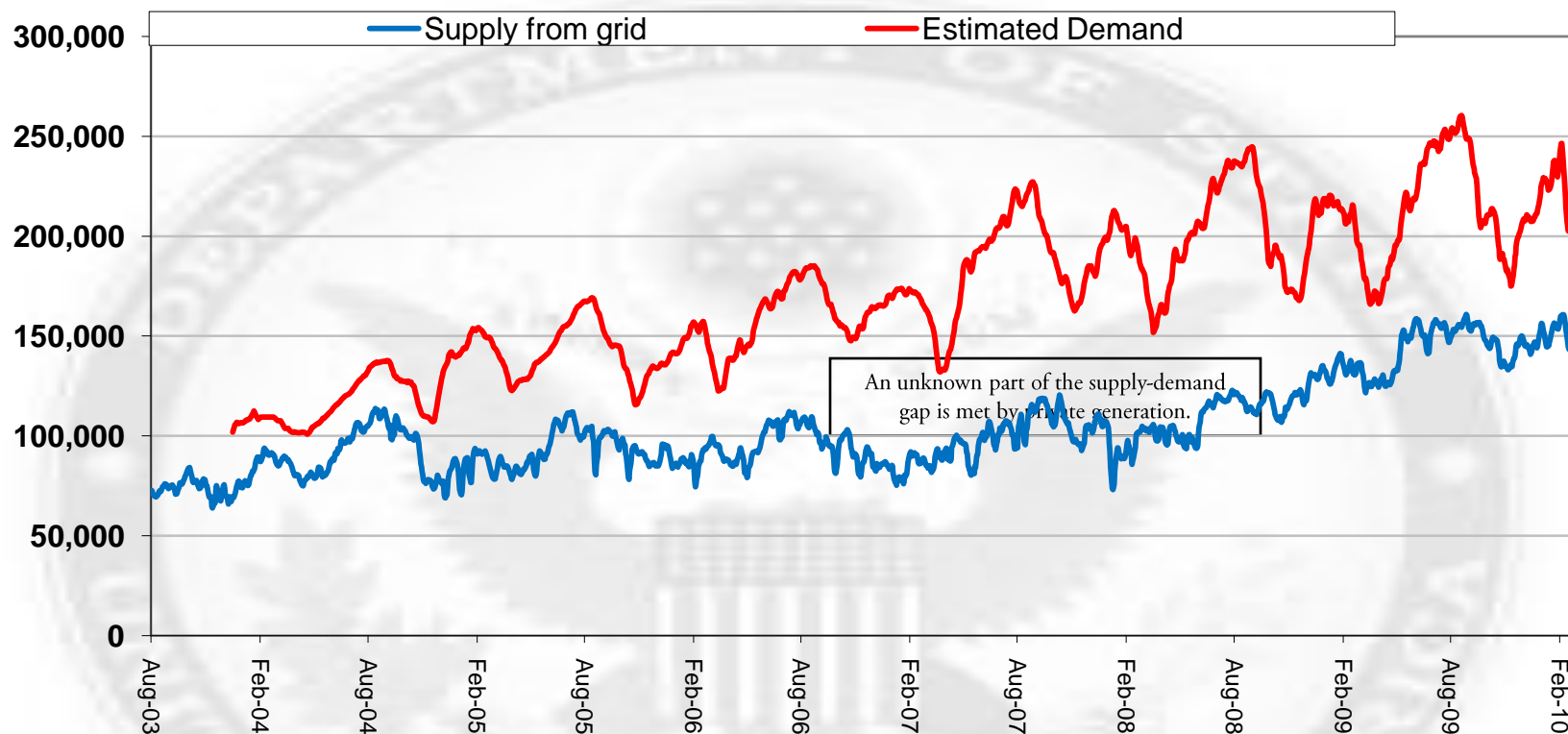
#### **GE Will Provide Power Generation Equipment in Iraq's Kurdish Region:**

- **General Electric Co. announced that it would provide \$200 million in power generation equipment and services in Iraq's Kurdish region. Scheduled to open in the fall of 2010, two power plants would increase the electricity capacity by approximately 1,750 megawatts from the current 1,000 megawatts generated by GE and Mass Global. The projects are "intended to meet the growing energy demand in the northern Kurdish provinces," the KRG announced.**

## Public Services – Electricity



Daily Electricity Supplied and Estimated Demand in Iraq Since January 2004



- Electricity supply from the grid February 17-23 was 9% above the same period in 2009 and met 70% of estimated demand, compared with 60% for the year-earlier period.
- Collapse of two transmission towers in Diyala February 21 reduced daily imports of Iranian power by 6,000-7,000 MWh. Most of the lost power was being delivered to Baghdad; the loss to the city was offset by shifting power from other regions.

## DIPLOMATIC – Political Engagement



GOI continues to strengthen relations with regional neighbors and international partners

### Iraq and Iran Discuss Border Demarcation:

- Iraqi and Iranian delegations met in the Iranian town of Qasr-e Shirin in an attempt to reach a formal demarcation agreement on February 23. According to the Iraqi Deputy Foreign Minister, Mohammed Hammood, the delegation included representatives from the Ministries of Foreign Affairs, Water Resources, Defense and Interior.

### Serbian FM Visits Baghdad:

- Serbian Foreign Minister Vuk Jeremic met with Iraqi Prime Minister Nuri al-Maliki during his visit to Baghdad on February 18. The two leaders discussed strengthening bilateral cooperation in the scientific and cultural fields and indicated their intent to increase their representation to the ambassadorial level.

## Beyond Baghdad



**“...we will help Iraq's institutions strengthen their capacity to protect the rule of law, confront corruption, and deliver basic services.”**

*President Barack Obama*

### *Recent Highlights*

A woman from Muthanna province demonstrates her new reading and writing skills to the PRT and fellow students.

#### *Muthanna*

PRT Muthanna has been working alongside the NGO A New Dawn for Iraqi Women to provide literacy classes for more than 200 residents of Muthanna province. The plan for these classes was created by Layla Habib, director of the Iraqi NGO, who asked the PRT to help tackle the high levels of illiteracy which plague the province. Of the 240 Muthanna residents receiving instruction 40 of them are women who often face both economic and cultural obstacles to advancing their education. The PRT and NGO hope to train the 240 men and women over two four-month sessions and provide them with the ability to write and read newspapers, billboards, and signs.

#### *Wasit*

At a ceremony attended by Latif Turfah, the governor of Wasit, other prominent local officials, and the national media, PRT Wasit took part in a ribbon-cutting ceremony for the new Donoobi power station. The project, one of the largest PRT infrastructure initiatives undertaken in the province, is expected to significantly improve the quality of life for thousands of local residents. The electrical substation will improve power transmission to over 250,000 Iraqis in Wasit province and help power other large-scale projects in the region such as the Jassan-Dabooni irrigation pump stations.



## CONTACT INFORMATION

**This brief draws from multiple sources. References are cited on the following pages.**

**For additional information, please see:**

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<http://2001-2009.state.gov/p/nea/rls/rpt/>
- Department of State, Section 1227 Report on Iraq  
<http://2001-2009.state.gov/p/nea/rls/rpt/>
- Department of Defense, Section 9010 Measuring Stability and Security in Iraq  
[http://www.defenselink.mil/home/features/Iraq\\_Reports/index.html](http://www.defenselink.mil/home/features/Iraq_Reports/index.html)

**Please forward all questions and/or comments to:**

**[NEA-I-IPOG-DL@state.gov](mailto:NEA-I-IPOG-DL@state.gov)**



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Slide 4:

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- AFP, February 17, [http://news.yahoo.com/s/afp/20100217/wl\\_mideast\\_afp/iraqvotereligiionsistani\\_20100217132911](http://news.yahoo.com/s/afp/20100217/wl_mideast_afp/iraqvotereligiionsistani_20100217132911)

Slide 6-9:

- Department of State, NEA Political Section, NEA-I-POL-DL@state.gov

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- (AP, February 22, 2010, [http://hosted.ap.org/dynamic/stories/M/ML\\_IRAQ\\_OIL?SITE=AP&SECTION=HOME&TEMPLATE=DEFAULT&CTIME=2010-02-22-10-18-19](http://hosted.ap.org/dynamic/stories/M/ML_IRAQ_OIL?SITE=AP&SECTION=HOME&TEMPLATE=DEFAULT&CTIME=2010-02-22-10-18-19))
- (Reuters, February 17, <http://www.reuters.com/article/idUSLDE61G14P20100217?type=marketsNews>)

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- Business Week, February 18, 2010, <http://www.businessweek.com/ap/financialnews/D9DTVNI03.htm>

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- UPI, February 19, 2010, [http://www.upi.com/Science\\_News/Resource-Wars/2010/02/19/GE-expands-energy-footprint-in-Iraq/UPI-72561266591205/](http://www.upi.com/Science_News/Resource-Wars/2010/02/19/GE-expands-energy-footprint-in-Iraq/UPI-72561266591205/) and PR Newswire, February 19, 2010, <http://www.prnewswire.com/news-releases/ge-signs-200-million-contract-for-power-equipment-and-services-in-kurdistan-region-of-iraq-84721102.html>)

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- Department of State, NEA/I Economics Section, [NEA-I-ECON-DL@state.gov](mailto:NEA-I-ECON-DL@state.gov)

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- UPI, February 23, [http://www.upi.com/Science\\_News/Resource-Wars/2010/02/23/Iran-Iraq-meet-on-border-issues/UPI-64201266934309/](http://www.upi.com/Science_News/Resource-Wars/2010/02/23/Iran-Iraq-meet-on-border-issues/UPI-64201266934309/)
- Aswat al-Iraq. February 18, <http://en.aswataliraq.info/?p=127284>; Radio Srbija, February 19, [http://glassrbije.org/E/index.php?option=com\\_content&task=view&id=10045&Itemid=26](http://glassrbije.org/E/index.php?option=com_content&task=view&id=10045&Itemid=26)

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- U.S. Embassy Baghdad, [http://iraq.usembassy.gov/prt\\_wasit022010.html](http://iraq.usembassy.gov/prt_wasit022010.html)
- Source for President Obama's Quote: [http://www.whitehouse.gov/the\\_press\\_office/Remarks-of-President-Barack-Obama-Responsibly-Ending-the-War-in-Iraq/](http://www.whitehouse.gov/the_press_office/Remarks-of-President-Barack-Obama-Responsibly-Ending-the-War-in-Iraq/)